



TO : Special Commission on Health Care Payment Reform

FROM: Patricia M Kelleher
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DATE: February 6, 2009

RE: **Comments on Payment and Purchasing Reform**

*In response to the request for comments, ideas, and recommendations regarding new payment models and implementation strategies to reduce the growth in overall state spending on health care, the **Home Care Alliance of Massachusetts** is pleased to provide these comments and suggestions.*

Comments to the Special Commission on Health Care Payment Reform

Submitted by: the Home Care Alliance of Massachusetts

Home health care spending represents only a small part of overall state and MassHealth spending. Yet, home health agencies provide nursing, therapies and supportive services annually to more than 130,000 needy Massachusetts citizens, including nearly 1 in 10 people over 65, as well as to some of the state's most complex MassHealth clients. For medically complex, technology dependent children, home health is a needed lifeline. For clients with chronic diseases such as multiple sclerosis, HIV and diabetes, home health is one of the few health care services that assists with both **acute medical** and **long term care** "daily living" needs.

Yet at present, with the exception of certain managed care models (Senior Care Options), the incentives are simply not aligned to maximize home health care's potential as a sentinel service, that could aggressively work with physicians to avoid costly inpatient or nursing home care. Currently, a physician-ordered trip to the Emergency Room while a patient is receiving home health services and has exacerbation of their COPD or infection happens far too often; but, it doesn't have to. Within this antiquated fee for service, non-performance based, fractured delivery system, there are already examples of home health agency/physician partnerships that lead to cost effective services to a very medically complex cohort of patients in a manner designed to keep them out of the hospital or nursing home (See some attached case examples.) **It is our belief that if community based care were more creatively utilized, compensated and incentivized, home health would become much more important to the Commonwealth's efforts to reduce overall costs and improve outcomes.** Among our suggestions are the following:

- To ***encourage care coordination across the delivery spectrum*** and ***promote and reward efficient, high quality care***, the Commission should create a hospital readmission reduction bonus pool to be shared by physicians and home health agencies. This "gain-sharing" model would incentivize a medical home-like system without needing to move immediately to a radical change in payment structure. Funds from the pool could come from – and be dependent on – a percentage saving on reduced nursing home or hospital days
- To ***promote better, rather than more care***, the Commission should support Masshealth expanding the current (single agency) home health episodic payment demonstration for certain types of patients or condition. While moving to **episodic payment** universally for home health would be difficult given that some home health is post acute and some is chronic long term care (depending on patient and diagnosis), the Alliance believes that the Masshealth could expand the current (single agency) home health episodic payment demonstration for certain types of patients or conditions. Getting out of the fee for (nursing, aide, therapy) service box could allow agencies to use alternative disciplines, such as medical social workers as needed, and new technologies such as remote monitoring. Episodic payment also lends itself to built-in pay for performance incentives.

- To **couple payment reform with new delivery models**, the Commission should recommend that Massachusetts amend its Community First waiver application to include coverage for **HomeTeleCare** remote vital signs monitoring. Home tele monitoring is proving effective at reducing costs, and improving compliance for clients with certain chronic conditions and histories. Local and national studies, including one just published by *the New England Healthcare Institute* have shown that such telemonitoring can improve patient health outcomes, reduce nursing time spent on travel and tasks, reduce hospitalization rates even more effectively than disease management programs, and help patients to effectively self manage, ultimately preventing the types of adverse events that lead to hospital and nursing home admissions. By including the service in the waiver, it would be available to “nursing home eligible” and “nursing home at risk” citizens. TeleHomeCare could be part of a cash and counseling package where a MassHealth client could “buy” a self directed aide for supportive and also benefit from remote medical monitoring by a nurse-led team.

- To **couple payment reform with evidence based** purchasing strategies, the Commission should look to home health – and work done for Medicare - for support with clinical care management, disease management and patient self management. Already, a number of home health agencies have been certified in the Stanford patient self management model. Others have hired and trained Certified Diabetes Educators to bring patient self management strategies to homebound community elders. These models have been tested and hold great promise for medically complex patients with multiple co-morbidities and compliance issues, especially if expanded in a PCC/home health care management partnership.

- To more broadly support **systemic change**, the Home Care Alliance would recommend that the Commission also consider supporting a change in Nurse Practice Act to allow for home health aides to assist with and administer medications *at home* to patients with medically stable conditions. Replacing just 5% of nursing visits with home health aide visits could produce significant savings, possibly enough to fund a pay for performance pool.

Thank you for this opportunity to comment on this important work. The member agencies of the Home Care Alliance would be happy to provide the Special Commission more detail and industry support to work on any of these potential payment or purchasing reform suggestions.

1. Remote Physiological Monitoring: Innovation in the Management of Heart Failure - A NEHI report (January 2009)
http://www.nehi.net/publications/36/remote_physiological_monitoring_research_update